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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/353,723	07/14/1999	JOHN EDWARD SILVERMAN	2260-010	3997

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EXAMINER

KANOF, PEDRO R

ART UNIT

PAPER NUMBER

3628

DATE MAILED: 02/11/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/353,723

Applicant(s)

SILVERMAN, JOHN EDWARD

Examiner

Pedro Kanof

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~~2400~~ 3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 30 July 2002.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____
- 4) ☐ Interview Summary (PTO-413) Paper No(s) _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

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DETAILED ACTION

Response to Amendment

1. This correspondence is in response to the amendment filed 7/30/02.
2. Claims 1, 16, and 20 have been amended as requested.
3. Applicants' arguments have been fully considered, and discussed below are not deemed to be persuasive. Therefore, claims 1-20 are rejected, and Applicant's request for allowance is respectfully denied.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-5 and 16-19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (U.S. Patent no. 6,208,978) (hereafter Walker), in view of Zervides et al. (U.S. Patent No. 6,052,674) (hereafter Zervides).

Claim 1: Walker discloses a method for managing ownership of a valuable item involved in a first financial transaction between a merchant and a customer, the process comprising:

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leasing the item to a customer (Col. 1, line 35-col. 2, line 12) in the first financial transaction so that the customer is thereafter obligated to make periodic lease payments to the merchant (Col. 2, lines 13-26);

establishing a reserve credit account (RCA) or security deposit for the customer with the merchant . The Examiner interprets the function of establishing a reserve credit account (RCA) as equivalent to the Walker's security deposit. This Examiner's interpretation is based on the fact that the RCA has the function to create and maintain a reserve of financial resources that can be used in future transactions (Col. 2, lines 27-45);

recording the accumulation of funds in the RCA or security deposit (Col. 6, lines 46-47).

However Walker does not explicitly disclose that the accumulation of funds results from payments voluntarily after the first financial transaction. Zervides disclose such a step (Col. 3, lines 31-40). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such a step in Walker. One would have been motivated to do that in order to quickly address payment delay problems and facilitate the trade operations.

Walker also discloses engaging in a second financial transaction between the customer and the merchant because it's inherent that the customer in the Walker invention could have performed any number of prior transactions before establishing with the merchant the RCA. Consequently, Walker discloses that the second transaction occurring after the first financial transaction, and involving one of the item and another item at the option of the customer, and the second financial transaction causing funds recorded in the RCA or security deposit to be reduced (Examiner interprets that "one of the item" refers to the leasing transaction, Col. 1, line 35-col. 2, line 12).

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Claim 2: Walker and Zervides disclose a method as claimed in claim 1. Walker also discloses wherein the process additionally comprises setting a purchase price for the item as a part of the first transaction, and the leasing operation comprises:

establishing a lease term (time period specified by the lease agreement, col. 4, lines 26-28 and col. 7, lines 29-45); and

bestowing upon the customer an option to purchase the item from the merchant for the purchase price during the lease term ("transfer of property, col. 6, lines 40-50 and col. 7, lines 28-32).

Claim 3: Walker and Zervides disclose a method as claimed in claim 2. Walker also discloses wherein the term-establishing operation establishes a minimum lease term; and the bestowing operation bestows upon the customer an option to terminate the lease prior to the minimum lease term upon payment of an early termination fee. Official notice is taken that it is old and well known within the lease agreement arts that the term-establishing operation establishes a minimum lease term and the bestowing operation bestows upon the customer an option to terminate the lease prior to the minimum lease term upon payment of an early termination fee. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to define a minimum lease term and include an option to terminate the lease prior to the minimum lease term upon payment of an early termination fee. One would have been motivated to include these conditions in the agreement in order to facilitate the flexibility of the business.

Claim 4: Walker and Zervides disclose a method as claimed in claim 1. Walker also discloses recording a further accumulation of funds in the RCA or security deposit beyond the payments voluntarily given to the merchant by the customer (Col. 3, line 65-col. 4, line 62).

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Claim 5: Walker and Zervides disclose a method as claimed in claim 1. Walker also discloses wherein the merchant has not any limitation in the items that are object of the business, and consequently includes items that are non-depreciating (Col. 6, lines 46-56).

Claim 16: Walker discloses a method for managing ownership of a valuable item involved in a first financial transaction between a merchant and a customer, the process comprising the steps of:

forming a lease agreement for leasing the item (Col. 1, line 35-col. 2, line 12) to a customer in the first financial transaction, the lease agreement being configured so that the customer is obligated to make periodic lease payments to the merchant (Col. 2, lines 13-26); establishing a reserve credit account (RCA) or security deposit for the customer with the merchant (Col. 1, lines 1-20);

registering the accumulation of funds in the RCA or security deposit in response to voluntary payments received by the merchant from the customer after the first financial transaction. The Examiner interprets the function of registering the accumulation of funds in the RCA as equivalent to the registration in the Walker's security deposit. The Examiner's interpretation is based on the fact that the RCA has the function to create and maintain a reserve of financial resources that can be used in future transactions (Col. 2, lines 27-45). However, Walker does not disclose that the payments are voluntary payments. Zervides discloses such a step (Col. 3, lines 31-40). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such a step in Walker. One would have been motivated to do that in order to quickly address payments delay problems and facilitate the trade operations.

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Walker discloses recording a second financial transaction between the customer and the merchant, the second financial transaction occurring after the first financial transaction, the second financial transaction involving one of the item and another item at the option of the customer, and the second financial transaction causing funds recorded in the RCA or security deposit to be reduced. The Examiner notes that the customer in the Walker invention could have performed any number of prior transactions before establishing the RCA with the merchant. Moreover, the Examiner interprets that "one of the item" refers to the leasing transaction (Col. 1, line 35-col. 2, line 12, and Col. 6, lines 46-67).

Claim 17: Walker and Zervides disclose a process as claimed in claim 16. Walker also discloses wherein the registering step registers an accumulation of funds in the RCA or security deposit beyond the payments voluntarily received by the merchant from the customer. (Col. 3, lines 46-56)..

Claim 18: Walker and Zervides disclose a process as claimed in claim 16. Walker also discloses wherein the forming step is configured so that the lease agreement establishes a lease term, sets a purchase price for the item, removes the obligation to make periodic lease payments upon a return of the item to the merchant during the lease term, and bestows upon the customer an option to purchase the item from the merchant for the purchase price during the lease term (see above discussion in claim 2).

Claim 19: Walker and Zervides disclose a process as claimed in claim 16. Walker also discloses sending statements to the customer, the statements indicating quantities of funds in the RCA or security deposit for the customer (Col. 20, lines 35-58).

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6. Claims 6-10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (U.S. Patent no. 6,208,978) (hereafter Walker), in view of Zervides et al. (U.S. Patent No. 6,052,674) (hereafter Zervides), and further in view of Becker et al. (U.S. Patent No. 5,983,238) (hereafter Becker).

Claim 6: Walker and Zervides disclose a method as claimed in claim 5, wherein the merchant has not any limitation in the items that are object of the business, and consequently includes also jewelry (Col. 6, lines 46-56). However, the references does not explicitly disclose that the object of the business is jewelry. Becker disclose this such as a step (The Examiner interprets gemstone as part of the jewelry business, See abstract, 2nd. Pr., col. 1, lines 6-15, col. 2, lines 10-39, col. 2, line 64-col. 3, line 41, and col. 4, lines 9-36). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such as a step One would have been motivated to include this step in order to defining the particular operations of the business.

Claim 7: Walker and Zervides disclose a method as claimed in claim 6 wherein the merchant has not any limitation in the items that are object of the business, and consequently the jewelry can includes a gemstone. However, the references does not explicitly disclose include gemstone as the object of the transaction, Becker disclose this such as a step (See abstract, 2nd. Pr., col. 1, lines 6-15, col. 2, lines 10-39, col. 2, line 64-col. 3, line 41, and col. 4, lines 9-36). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such as a step One would have been motivated to include this step in order to defining the particular operations of the business.

Claim 8: Walker and Zervides disclose a method as claimed in claim 1. However, the references does not explicitly disclose wherein the process additionally comprises setting a

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purchase price for the item as a part of said first transaction, the purchase price being sufficiently high so that a theft of the item would be a felony. Becker discloses such as step (The Examiner interprets that diamonds have a purchase price being sufficiently high so that a theft of the item would be a felony, See Col. 1, lines 17-24). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such a step. One would have been motivated to include this step in order to defining the particular operations of the business.

Claim 9: Walker and Zervides disclose a method as claimed in claim 1. However, the references does not explicitly disclose comprising, as a part of the first transaction, purchasing insurance to cover loss of the item. Becker discloses such a step (Col. 1, lines 24-43, col. 2, lines 10-15). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such a step in the Walker and Zervides invention. One would have been motivated to include this step in order to minimize the risk of the transaction.

Claim 10: Walker and Zervides disclose a method as claimed in claim 1. However, the references does not explicitly disclose comprising, as a part of the first transaction, purchasing insurance to cover loss of the item, the insurance naming the merchant as a loss payee. Becker discloses such a step (Col. 3, lines 5-41, col. 4, lines 9-36). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such a step. One would have been motivated to include this step in order to minimize the risk of the transaction.

7. Claims 11-14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (U.S. Patent no. 6,208,978) (hereafter Walker), in view of Zervides et al. (U.S. Patent No.

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6,052,674) (hereafter Zervides), and further in view of Halladay et al. (The Handbook of Equipment Leasing, Amembal & Halladay, UT, 1995) (hereafter Halladay).

Claim 11: Walker and Zervides disclose a method as claimed in claim 1. Walker discloses when the leasing operation comprises establishing a lease term time period specified by the lease agreement (Col. 4, lines 26-28 and col. 7, lines 29-45). However, the references do not explicitly disclose removing the obligation to make subsequent periodic lease payments upon a return of the item to the merchant during the lease term. Halladay discloses "In an early termination, the lease wants to cease using the equipment and stop paying rent" (Page. 708). Therefore, it would have been obvious to one having ordinary skill in the lease art at the time the invention was made to include such a step in the Walker and Zervides invention. One would have been motivated to include that step in order to facilitate the flexibility of the business.

Claim 12: Walker, Zervides and Halladay disclose a method as claimed in claim 11. The references do not explicitly disclose wherein the second transaction is transacted within a predetermined period of time following the return of the item. However because the claims of the references do not include time limitations for the second transaction, it is inherent that the second transaction can be transacted within a predetermined period of time following the return of the item.

Claim 13: Walker and Zervides discloses a method as claimed in claim 1. Walker also discloses sending statements from to the customer, the statements indicating quantities of funds recorded in the RCA or security deposit for the customer (Col. 20, lines 35-58).

Claim 14: Walker and Zervides discloses a method as claimed in claim 13. However, the references do not explicitly disclose wherein the statements additionally indicate funds needed to purchase the item by the customer from the merchant. Halladay discloses indicate

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funds needed to purchase the item by the customer from the merchant (Pages. 843-845).

Therefore, it would have been obvious to one having ordinary skill in the lease art at the time the invention was made to include such a step in the Walker and Zervides invention . One would have been motivated to include in the funds needed to purchase the item by the customer in order to communicate to the client the status of his leasing business, and to minimize customs' requests .

8. Claim 15 is rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (U.S. Patent no. 6,208,978) (hereafter Walker), in view of Zervides et al. (U.S. Patent No. 6,052,674) (hereafter Zervides), and further in view of Graff (U.S. Patent No. 6,192,347).

Claim 15: Walker and Zervides discloses a method as claimed in claim 1. However, the references does not explicitly disclose posting lease payments to accounts for rent and sales tax as the lease payments are received. Graff discloses such a step (Col. 12, lines 43-52, Col. 26, lines 4-22, and col. 26, line 47-col. 27, line 12). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such step. One would have been motivated to include such as a step in order to facilitate the accounting operations.

9. Claim 20 is rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (U.S. Patent no. 6,208,978) (hereafter Walker), in view of Zervides et al. (U.S. Patent No. 6,052,674) (hereafter Zervides), and further in view of Graff (U.S. Patent No. 6,192,347), and further in view of Halladay et al. (The Handbook of Equipment Leasing, Amembal & Halladay, UT, 1995) (hereafter Halladay).

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Claim 20: Walker and Zervides discloses a new and useful process for managing ownership of a valuable item involved in a first financial transaction between a merchant and a customer, the process comprising:

leasing the item to a customer in the first financial transaction so that a lease term is established, a purchase price for the item is set, the customer is obligated to make periodic lease payments to said merchant, the customer has an option to purchase the item from the merchant for the purchase price during the lease term, and the obligation to make subsequent periodic lease payments is removed upon a return of the item to the merchant during the lease term (See discussion on this issue above on Claims 1, 14 and 16);

establishing a reserve credit account (RCA) or security deposit for the customer with the merchant (See discussion on this issue above on Claims 1 and 16);

recording the accumulation of funds in the RCA or security deposit in response to payments voluntarily given to the merchant by the customer after the first financial transaction, the funds accumulating to quantities greater than the total of the payments voluntarily given to the merchant by the customer (See discussion on this issue above on Claims 1 and 16);

posting the lease payments to accounts for rent and sales tax as the lease payments are received (See discussion on this issue above on Claim 15); and

engaging in a second financial transaction between the customer and the merchant, the second financial transaction occurring after the first financial transaction, the second transaction involving one of the item and another item at the option of the customer, and the second financial transaction causing funds recorded in the RCA or security deposit to be reduced (See discussion on this issue above on Claims 1 and 16).

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Response to Arguments

10 Applicant's arguments with respect to claims 1-20 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion


11. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. Pedro R. Kanof whose telephone number is (703) 308-9552. The examiner can normally be reached on weekdays from 8:30 a.m. to 5:00 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Mr. Hyung Sough, can be reached on (703) 308-0505. The fax phone number for this Group is (703) 308-3687.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 305-3900.

PRK- 2/5/03.


Hyung Sub Sough
Primary Examiner